

## TRAXLER-MCCAULEY-LAW-BOWMAN BINGO ACT

### Act 382 of 1972

AN ACT to license and regulate the conducting of bingo, millionaire parties, and certain other forms of gambling; to provide for the conducting of charity games, raffles, and numeral games; to provide for exemptions from licensing requirements under certain circumstances; to impose certain duties and authority upon certain state departments, agencies, and officers; to provide a tax exemption; and to provide penalties.

*The People of the State of Michigan enact:*

#### **432.101 Short title.**

Sec. 1. This act shall be known and may be cited as the “Traxler-McCauley-Law-Bowman bingo act”.

#### **432.102 Definitions; A to C.**

Sec. 2. (1) “Advertising” means all printed matter, handouts, flyers, radio, television, advertising signs, billboards, and other media used to promote an event licensed under this act.

(2) “Bingo” means a game of chance commonly known as bingo in which prizes are awarded on the basis of designated numbers or symbols conforming to numbers or symbols selected at random.

(3) “Bureau” means the bureau of state lottery as created by the McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL 432.1 to 432.47.

(4) “Charity game” means the random resale of a series of charity game tickets.

(5) “Charity game ticket” means a ticket commonly referred to as a break open ticket or pull-tab that is approved and acquired by the bureau and is distributed and sold by the bureau or a licensed supplier to a qualified organization a portion of which is removed to discover whether the ticket is a winning ticket and whether the purchaser may be awarded a prize.

(6) “Commissioner” means the commissioner of state lottery as defined by section 3 of the McCauley-Traxler-Law-Bowman-McNeely lottery act, 1972 PA 239, MCL 432.3.

(7) “Coverall pattern” means a pattern required to win a bingo game in which all numbers on a bingo card are required to be called.

#### **432.103 Additional definitions.**

Sec. 3. (1) “Educational organization” means an organization within this state that is organized not for pecuniary profit, whose primary purpose is educational in nature and designed to develop the capabilities of individuals by instruction in any public or private elementary or secondary school that complies with the school code of 1976, Act No. 451 of the Public Acts of 1976, being sections 380.1 to 380.1852 of the Michigan Compiled Laws, or any private or public college or university that is organized not for pecuniary profit and that is approved by the state board of education.

(2) “Fraternal organization” means an organization within this state, except a college fraternity or sorority, that is organized not for pecuniary profit; that is a branch, lodge, or chapter of a national or state organization; and that exists for the common purpose, brotherhood, or other interests of its members.

(3) “Licensee” means a person or qualified organization licensed pursuant to this act.

(4) “Member” means an individual who qualified for membership in a qualified organization pursuant to its bylaws, articles of incorporation, charter, rules, or other written statement.

(5) “Person” means a natural person, firm, association, corporation, or other legal entity.

(6) “Qualified organization” means a bona fide religious, educational, service, senior citizens, fraternal, or veterans’ organization that operates without profit to its members and that either has been in existence continuously as an organization for a period of 5 years or is exempt from taxation imposed by the single business tax act, Act No. 228 of the Public Acts of 1975, being sections 208.1 to 208.145 of the Michigan Compiled Laws. Qualified organization does not include a candidate committee, political committee, political party committee, ballot question committee, independent committee, or any other committee as defined by, and organized pursuant to, the Michigan campaign finance act, Act No. 388 of the Public Acts of 1976, being sections 169.201 to 169.282 of the Michigan Compiled Laws.

(7) “Religious organization” means any of the following:

(a) An organization, church, body of communicants, or group that is organized not for pecuniary profit and that gathers in common membership for mutual support and edification in piety, worship, and religious observances.

(b) A society of individuals that is organized not for pecuniary profit and that unites for religious purposes at a definite place.

(c) A church related private school that is organized not for pecuniary profit.

(8) “Senior citizens organization” means an organization within this state that is organized not for pecuniary profit, that consists of at least 15 members who are 60 years of age or older, and that exists for their mutual support and for the advancement of the causes of elderly or retired persons.

(9) “Service organization” means either of the following:

(a) A branch, lodge, or chapter of a national or state organization that is organized not for pecuniary profit and that is authorized by its written constitution, charter, articles of incorporation, or bylaws to engage in a fraternal, civic, or service purpose within the state.

(b) A local civic organization that is organized not for pecuniary profit; that is not affiliated with a state or national organization; that is recognized by resolution adopted by the local governmental subdivision in which the organization conducts its principal activities; whose constitution, charter, articles of incorporation, or bylaws contain a provision for the perpetuation of the organization as a nonprofit organization; whose entire assets are pledged to charitable purposes; and whose constitution, charter, articles of incorporation, or bylaws contain a provision that all assets, real property, and personal property shall revert to the benefit of the local governmental subdivision that granted the resolution upon dissolution of the organization.

(10) “Veterans’ organization” means an organization within this state, or a branch, lodge, or chapter within this state of a state organization or of a national organization chartered by the congress of the United States, that is organized not for pecuniary profit, the membership of which consists of individuals who were members of the armed services or forces of the United States.

#### **432.103a Definitions; E to S.**

Sec. 3a. (1) “Equipment” means the objects and mechanical or electromechanical devices used to determine or assist in determining the winners of prizes at events licensed under this act.

(2) “Event” means each occasion of a bingo, millionaire party, raffle, charity game, or numeral game licensed under this act.

(3) “Large bingo” means a series of bingo occasions that occur on a regular basis during which the total value of all prizes awarded through bingo at a single occasion does not exceed \$2,000.00 and the total value of all prizes awarded for 1 game does not exceed \$500.00, except that a prize awarded through a Michigan progressive jackpot bingo game shall not be subject to these limitations.

(4) “Large raffle” means an event where the total value of all prizes awarded through raffle drawings exceed \$500.00 per occasion.

(5) “Location” means a building, enclosure, part of a building or enclosure, or a distinct portion of real estate that is used for the purpose of conducting events licensed under this act. Location also means all components or buildings that comprise 1 architectural entity or that serve a unified functional purpose.

(6) “Manufacturer” means a person licensed under section 11c who manufactures numeral game tickets for sale to suppliers for use in an event.

(7) “Michigan progressive jackpot” means a bingo game conducted in conjunction with a licensed large bingo occasion, where the value of the prize is carried forward to the next bingo occasion if no player bingos in a predetermined number of allowable calls. Michigan progressive jackpot may include bingo games conducted by more than 1 licensee that are linked together for the purpose of a common jackpot prize and consolation prize as prescribed by the commissioner.

(8) “Millionaire party” means an event at which wagers are placed upon games of chance customarily associated with a gambling casino through the use of imitation money or chips that have a nominal value equal to or greater than the value of the currency for which they can be exchanged.

(9) “Numeral game” means the random resale of a series of numeral game tickets by a qualified organization under a numeral game license or in conjunction with a licensed millionaire party or large raffle.

(10) “Numeral game ticket” means a paper strip on which preprinted numerals are covered by folding the strip and banding the folded strip with a separate piece of paper, if upon breaking the paper strip that bands the ticket, the purchaser discovers whether the ticket is a winning ticket and the purchaser may be awarded a merchandise prize.

(11) “Occasion” means the hours of the day for which a license is issued.

(12) “Principal officer” means the highest ranking officer of the qualified organization according to its written constitution, charter, articles of incorporation, or bylaws.

(13) “Prize” means anything of value, including, but not limited to, money or merchandise that is given to a player for attending or winning a game at an event. A nonmonetary item is valued at its retail value.

(14) “Single gathering” means 1 scheduled assembly or meeting with a specified beginning and ending time that is conducted or sponsored by the qualified organization. Single gathering does not include the regular operating hours of a club or similar facility and does not include a meeting conducted solely for the purpose of conducting a raffle.

(15) “Small bingo” means a series of bingo occasions that occur on a regular basis during which the total value of all prizes awarded through bingo at a single occasion does not exceed \$300.00 and the total value of all prizes awarded for a single bingo game does not exceed \$25.00.

(16) “Small raffle” means an event during which the total value of all prizes awarded through raffle drawings does not exceed \$500.00 during 1 occasion.

(17) “Special bingo” means a single or consecutive series of bingo occasions during which the total value of all prizes awarded through bingo at a single occasion does not exceed \$2,000.00 and the total value of all prizes awarded for a single bingo game does not exceed \$500.00.

(18) “Supplier” means a person licensed under this act to rent, sell, or lease equipment or to sell charity game or numeral game tickets to qualified organizations licensed under this act.

#### **432.104 Application for bingo, millionaire party, raffle, charity game, or numeral game license; procedure, form, and contents.**

Sec. 4. (1) Each applicant for a license to conduct a bingo, millionaire party, raffle, charity game, or numeral game shall submit to the bureau a written application on a form prescribed by the commissioner.

(2) The application shall include all of the following:

(a) The name and address of the applicant organization.

(b) The name and address of each officer of the applicant organization.

(c) The location at which the applicant will conduct the event.

(d) The day or dates of the event.

(e) The member or members of the applicant organization who will be responsible for the conduct of the event.

(f) Sufficient facts relating to the applicant’s incorporation or organization to enable the commissioner to determine whether the applicant is a qualified organization.

(g) A sworn statement attesting to the nonprofit status of the applicant organization, signed by the principal officer of that organization.

(h) Other information the commissioner considers necessary.

#### **432.104a Issuance of license.**

Sec. 4a. (1) Except as provided in subsections (2) and (3), if the commissioner determines that the applicant is a qualified organization and is not ineligible under section 18 and the applicant has paid to the bureau the appropriate fee, the commissioner may issue 1 or more of the following licenses:

<u>License</u>	<u>Fee</u>
(a) Large bingo .....	\$ 150.00
(b) Small bingo .....	\$ 55.00
(c) Special bingo .....	\$ 25.00
(d) Millionaire party .....	\$ 50.00 per day
(e) Large raffle .....	\$ 50.00 per drawing date
(f) Small raffle:	
(i) One to 3 drawing dates .....	\$ 15.00
(ii) Four or more drawing dates .....	\$ 5.00 per drawing date
(g) Annual charity game .....	\$ 200.00
(h) Special charity game. ....	\$ 15.00 per day
(i) Numeral game .....	\$ 15.00 per day

(2) Under extreme hardship conditions as determined by the commissioner, the commissioner may waive 1 or more requirements of a qualified organization described in section 3 to permit the licensing of a special bingo, millionaire party, or raffle, if all of the following conditions are met:

(a) The organization applying for the license is a nonprofit organization.

(b) The entire proceeds of the event, less the actual reasonable expense of conducting the event, are donated or used for a charitable purpose, organization, or cause.

(c) None of the individuals connected with the conduct of the event is compensated in any manner for his or her participation.

(d) The organization complies with all other provisions of this act and rules promulgated under this act.

(3) Under extreme hardship conditions as determined by the commissioner, the commissioner may allow an individual or a group of individuals to obtain a license to conduct a special bingo, millionaire party, or raffle if all of the following conditions are met:

(a) The entire proceeds of the event, less the actual reasonable expense of conducting the event, are donated or used for a charitable purpose, organization, or cause.

(b) None of the individuals connected with the conduct of the event is compensated in any manner for his or her participation.

(c) The individual or group of individuals complies with all other provisions of this act and the rules promulgated under this act.

(4) Each event license issued to a qualified organization is valid for only the location included on the license.

(5) A license is not assignable or transferable.

(6) The licensee is responsible for ensuring that the events are conducted in compliance with this act and rules.

(7) A licensee shall only conduct events licensed under this act during the hours and on the day and date or dates stated on the license.

#### **432.105 Large or small bingo license; reissuance; expiration; limitations.**

Sec. 5. (1) A large or small bingo license may be reissued annually upon the submitting of an application for renewal provided by the commissioner and upon the licensee's payment of the appropriate fee. A small or large bingo license expires at 12 midnight on the last day of February.

(2) A qualified organization may hold more than 1 bingo license.

(3) A small or large bingo license shall be valid for not more than 1 day per week.

(4) Not more than 10 bingo licenses shall be issued for a 7-day period at any 1 location.

(5) Not more than 1 bingo license shall be issued to a qualified organization for any 1 day.

(6) Not more than 2 bingo licenses shall be issued for the same day at any 1 location.

(7) A special bingo license may be issued for up to 7 consecutive days.

(8) A qualified organization may be issued up to 4 special bingo licenses per calendar year.

#### **432.105a Recreational bingo; conditions.**

Sec. 5a. Recreational bingo may be conducted by a senior citizens club, group, or home consisting of members who are 60 years of age or older without obtaining a license if all of the following conditions are met:

(a) The bingo is conducted solely for the amusement and recreation of the members and guests of the senior citizens club, group, or home and not used for fund-raising.

(b) Only members, guests of members, and employees of the senior citizens club, group, or home may participate in the operation of the bingo.

(c) Players are not charged more than 25 cents for a bingo card, and the aggregate retail value of all prizes and merchandise awarded in a single day does not exceed \$100.00.

(d) All revenue from the bingo is used for prizes and reasonable expenses incurred in operating the bingo, and no person is compensated solely for participating in the conduct of the bingo.

#### **432.105b Seating of persons with disabilities; chairperson.**

Sec. 5b. (1) All laws applying to the seating of persons with disabilities apply at licensed bingo games.

(2) A person may be chairperson for more than 1 bingo only if the additional bingo licenses, for which the person will act as chairperson, are granted to the same qualified organization.

#### **432.105c Michigan progressive jackpot bingo.**

Sec. 5c. (1) The value of a prize or consolation prize awarded during a Michigan progressive jackpot bingo game is not subject to the prize limitations of section 3a(3).

(2) The prize awarded to the winner of a Michigan progressive jackpot bingo game may be a predetermined amount that shall not exceed \$500.00 on the first bingo occasion.

(3) If a Michigan progressive jackpot prize is not won in the predetermined number of allowable calls, the game shall be played to its conclusion for a predetermined consolation prize that shall not exceed \$100.00.

(4) If a Michigan progressive jackpot prize is not won in the predetermined number of allowable calls, the entire prize amount shall be carried forward to the next scheduled bingo occasion.

(5) When a Michigan progressive jackpot prize has been carried forward from a previous bingo occasion, the new prize amount shall include the entire amount carried forward, plus 50% of the card sales for the Michigan progressive jackpot bingo game for the current bingo occasion.

(6) No arrangement of numbers other than a coverall pattern shall be required or allowed to win a Michigan progressive jackpot bingo game.

(7) A Michigan progressive jackpot bingo game shall be played only on bingo cards that are approved by the commissioner.

(8) All cards for the Michigan progressive jackpot bingo game shall be sold by the licensee at a uniform price with no discount for the purchase of more than 1 card.

(9) All bingo cards used in the Michigan progressive jackpot bingo game shall be sold prior to the drawing of the first ball for that game.

(10) Whenever a Michigan progressive jackpot bingo game is conducted, the licensee shall post a notice and announce the following information:

(a) The maximum number of allowable calls in which the player must complete a coverall pattern in order to win a Michigan progressive jackpot prize on that occasion.

(b) The prize amount offered to the winner of the Michigan progressive jackpot game and the consolation prize for that bingo occasion.

(c) The date the next bingo occasion will occur in that particular progression if the jackpot is not awarded.

(11) A Michigan progressive jackpot bingo game shall be conducted in the following manner:

(a) On the first bingo occasion a player shall not be required to obtain bingo in less than 50 numbers called to win the jackpot prize.

(b) The number of allowable calls required to win the jackpot shall be increased by 1 number on each successive bingo occasion in a particular progression.

(c) Once a Michigan progressive jackpot bingo game has been started, the progressive jackpot prize shall be offered at each successive bingo occasion for that licensee until the jackpot prize has been won.

(d) A Michigan progressive jackpot progression shall only be terminated or interrupted by 1 of the following:

(i) Determining a winner of the Michigan progressive jackpot prize.

(ii) Expiration, suspension, revocation, or surrender of the license to conduct bingo.

(iii) A previously announced scheduled interruption, such as a legal holiday or other temporary closing.

(iv) A valid emergency condition under which the licensee is unable to conduct the game.

(12) Only 1 Michigan progressive jackpot bingo game shall be in progress at 1 time per bingo occasion.

(13) Prizes for a Michigan progressive jackpot bingo game shall be awarded as follows:

(a) The Michigan progressive jackpot prize shall be awarded to the player or players who complete the coverall pattern within the predesignated number of allowable calls.

(b) A consolation prize shall be awarded on each bingo occasion at which a Michigan progressive jackpot game is played, except on the bingo occasion that the jackpot prize is won.

(c) The consolation prize shall be awarded to the player or players who complete a coverall pattern on each bingo occasion, regardless of the number of calls in excess of the predesignated number of allowable calls required to win the Michigan progressive jackpot bingo game.

(14) The jackpot prize shall be awarded by a check written from the licensee's financial account.

(15) Except as otherwise provided in this section, all other provisions of this act or rules promulgated under this act apply to the conduct of a Michigan progressive jackpot game.

(16) If an organization's bingo license will expire or is suspended, revoked, or surrendered before the last bingo occasion of a particular progression, the jackpot prize shall be awarded and the winner determined on the last authorized bingo occasion regardless of the number of calls required to determine the winner.

#### **432.105d Small and large raffle licenses; issuance.**

Sec. 5d. (1) A qualified organization may apply for an unlimited number of small and large raffle licenses.

(2) Only 1 small raffle license may be issued for a location each day.

(3) All drawing locations shall be the same if a small raffle license is issued for more than 1 date.

(4) A qualified organization is excused from the requirements of obtaining a license under this act if the qualified organization is sponsoring a single gathering and conducts a raffle before which there is no presale of tickets and the total aggregate retail value of the prize or prizes to be awarded that day is \$100.00 or less.

**432.106 Event license; contents; display.**

Sec. 6. (1) Each event license shall contain the name of the licensee, the location at which the licensee is permitted to conduct the event, the day or days of the week or the dates on which the licensee is permitted to conduct the event, the time during which the event will be conducted, and the expiration date for a large or small bingo license or an annual charity game license.

(2) The licensee shall display the license conspicuously at the location where the event is being conducted at all times during the conduct of the event.

**432.107 Repealed. 1999, Act 108, Eff. Mar. 10, 2000.****432.107a Charity game tickets.**

Sec. 7a. (1) All charity game tickets used in the conduct of a charity game shall be purchased by the qualified organization from the bureau or a supplier.

(2) The bureau shall determine the number of charity game tickets that constitute a charity game.

(3) The bureau shall determine the price at which the qualified organization shall resell each charity game ticket and shall have that price printed on each charity game ticket.

(4) The bureau or a supplier shall sell charity game tickets to a qualified organization that is eligible to conduct a charity game at a percentage, to be determined by the bureau, of the gross revenues that are realized by the resale of all the charity game tickets for that game at the price established by the bureau.

(5) The qualified organization shall retain 60% and the bureau shall retain 40% of the money obtained from the sale of charity game tickets.

(6) A qualified organization that conducts a charity game shall be solely responsible for paying prizes won by purchasers of winning charity game tickets.

(7) When all charity game tickets for a single charity game are resold, prizes distributed shall have an aggregate value of, as near as practicable, not less than 60% of the resale value of all the charity game tickets for that charity game.

(8) The bureau shall determine the number of winning charity game tickets provided on a random basis for resale for any 1 charity game and shall establish the value of the prize won by each winning charity game ticket.

(9) A charity game ticket shall not have a price for resale by a qualified organization of less than 30 cents.

(10) The bureau shall have a bureau control number for identification purposes imprinted upon each charity game ticket.

(11) A value of prizes awarded for a charity game shall not be included within the prize limitations of a licensed bingo game or millionaire party in conjunction with which the charity game is held.

(12) A charity game ticket shall not be sold to a person under 18 years of age. This subsection shall not prohibit the purchase of a charity game ticket by a person 18 years of age or older for the purpose of making a gift to a person under 18 years of age, and shall not prohibit a person under 18 years of age from receiving a prize or prizes won in a charity game conducted pursuant to this act.

**432.107b Charity game license; issuance.**

Sec. 7b. (1) The commissioner may issue an annual charity game license to a qualified organization for a location owned and operated by the qualified organization for the regular use of its members, or rented or leased on a continual basis for the regular use of its members.

(2) A qualified organization may be issued only 1 annual charity game license per year.

(3) An annual charity game license shall expire at 12 midnight on July 31 of each year.

(4) An annual charity game license may be reissued annually if the qualified organization submits an application for renewal provided by the commissioner and pays the appropriate fee.

(5) A qualified organization may be issued up to 8 special charity game licenses per calendar year.

(6) A special charity game license may be issued for up to 4 consecutive days.

(7) A qualified organization that is licensed to conduct bingo, a millionaire party, or large raffle may also sell charity game tickets and conduct a charity game at the same time and location and in conjunction with the licensed bingo, millionaire party, or large raffle without obtaining an additional license.

(8) The commissioner shall promulgate rules for the licensing, selling, and playing of, and financial record keeping for, charity games.

**432.107c Numeral game license; issuance.**

Sec. 7c. (1) A numeral game license may be issued to a qualified organization to conduct a numeral game at a specific location for up to 7 consecutive days.

(2) A qualified organization that is licensed to conduct a millionaire party or a large raffle may also sell numeral game tickets and conduct a numeral game at the time and location and in conjunction with the event without obtaining an additional license.

**432.107d Numeral game tickets; prizes.**

Sec. 7d. (1) All numeral game tickets used in the conduct of a numeral game shall be purchased by the qualified organization from a supplier. The logo or name of the manufacturer and the serial number must be visible before breaking the band on the ticket.

(2) The value of merchandise prizes offered at a numeral game shall be a minimum of 50% of the ideal gross receipts from the game. For the purposes of this subsection, "ideal gross receipts" means the total amount of receipts that would be received if every individual ticket in a series is sold at face value.

(3) Winning numbers for a numeral game shall be determined by use of a series of common ending numbers contained within the pool of numbers making up the numeral game. The winning numbers may not be determined randomly.

(4) The prize list, associated winning numbers, the total number of tickets offered, and rules of play shall be posted before the numeral game is offered for sale or any tickets are opened.

(5) A numeral game ticket shall not be sold to a person under 18 years of age. This subsection shall not prohibit the purchase of a numeral game ticket by a person 18 years of age or older for the purpose of making a gift to a person under 18 years of age, and shall not prohibit a person under 18 years of age from receiving a prize or prizes won in a numeral game conducted under this act.

(6) The licensee shall have available for inspection by an authorized representative of the bureau a copy of the invoice from the supplier showing the manufacturer's name and serial number for each numeral game being conducted at the site where the numeral game is being conducted.

**432.108 Disposition of fees and revenue; expenses; limitation.**

Sec. 8. All fees and revenue collected by the commissioner or bureau under this act shall be paid into the state lottery fund. All necessary expenses incurred by the bureau in the administration and enforcement of this act and in the initiation, implementation, and ongoing operation of charity games shall be financed from the state lottery fund. The amount of these necessary expenses shall not exceed the amount of revenues received from the sale of charity game tickets and all fees collected under this act, except that this limitation shall not apply before October 1, 1983. At the end of each fiscal year all money, including interest, in the state lottery fund which is attributable to fees and revenue collected pursuant to this act but which has not been expended pursuant to this section shall be deposited in the state general fund.

**432.109 Use of net proceeds of event; expenses.**

Sec. 9. The entire net proceeds of an event shall be devoted exclusively to the lawful purposes of the licensee. A licensee shall not incur or pay an item of expense in connection with the holding, operating, or conducting of an event except the following expenses in reasonable amounts:

(a) The purchase or rental of equipment necessary for conducting an event and payment of services reasonably necessary for the repair of equipment.

(b) Cash prizes or the purchase of prizes of merchandise.

(c) Rental of the location at which the event is conducted.

(d) Janitorial services.

(e) The fee required for issuance or reissuance of a license to conduct the event.

(f) Other reasonable expenses incurred by the licensee, not inconsistent with this act, as permitted by rule of the commissioner.

**432.110 Management of event; compensation; equipment; advertising; personal limitation on winnings.**

Sec. 10. (1) Only a member of the qualified organization shall participate in the management of an event.

(2) A person shall not receive any commission, salary, pay, profit, or wage for participating in the management or operation of bingo, a millionaire party, or a charity game except as provided by rule promulgated under this act.

(3) Except by special permission of the commissioner, a licensee shall conduct bingo or a millionaire party only with equipment that it owns, uses under a bureau-approved rental contract, or is purchasing or renting at a reasonable rate from a supplier.

(4) A licensee shall not advertise bingo except to the extent and in the manner permitted by rule promulgated under this act. If the commissioner permits a licensee to advertise bingo, the licensee shall indicate in the advertisement the purposes for which the net proceeds will be used by the licensee.

(5) The holder of a millionaire party license shall not advertise the event, except to the extent and in the manner permitted by rule promulgated under this act. If the commissioner permits a licensee to advertise the event, the licensee shall indicate in the advertising the purposes for which the net proceeds will be used by the licensee, and shall give notice of the \$500.00 personal limitation on winnings required by section 10a(e).

#### **432.110a Conduct of millionaire party.**

Sec. 10a. All of the following apply in the conduct of a millionaire party:

(a) A person less than 18 years of age shall not be permitted to wager.

(b) A wager may not be placed on a contest other than a game of chance taking place at the location and during the time period approved for the event, and in no event shall a wager be placed upon an athletic event or upon a game involving personal skill.

(c) The licensee under the millionaire party license shall be responsible for insuring that the requirements of this section are met.

(d) A qualified organization shall not receive more than \$15,000.00 in exchange for imitation money or chips in 1 day of a millionaire party.

(e) A person participating in a millionaire party shall not be awarded prizes having an aggregate value greater than \$500.00 per day. The value of raffle, charity game, and numeral game prizes awarded at the millionaire party is not subject to the limitations of this section. A notice of personal limitation on winnings shall be given to the participant or posted at the location of the event.

#### **432.110b Millionaire party license; issuance.**

Sec. 10b. (1) A qualified organization may be issued up to 4 millionaire party licenses in 1 calendar year. Each license shall only be valid for 1 location.

(2) A millionaire party license may be issued for up to 4 consecutive days.

(3) The bureau shall not issue more than 1 millionaire party license to a qualified organization for any 1 day.

#### **432.111 Recipient of prize exempt from state or local taxation.**

Sec. 11. State or local taxes of any kind shall not be imposed upon the recipient of a prize, whether merchandise or money, awarded by a licensee during an event conducted in conformity with this act.

#### **432.111a Bingo hall license.**

Sec. 11a. (1) Each applicant for a license or renewal of a license to operate a bingo hall under this act shall submit a written application to the bureau on a form prescribed by rule promulgated under this act.

(2) If the commissioner determines that an applicant is eligible and the applicant pays an appropriate fee, the bureau may issue a bingo hall license to operate a facility that will be rented to bingo licensees.

(3) A bingo hall license expires at 12 midnight on the last day of February, or if the applicant does not own the facility, on the expiration date of their lease or rental agreement if that date is prior to the last day of February of the current licensing period.

(4) The annual bingo hall licensing fee is \$50.00 multiplied by the number of large or small bingo occasions that will be conducted during the 7-day week.

(5) To increase the number of large or small bingo occasions conducted under a bingo hall licensee's original or renewal application, a hall licensee shall submit a written request on a form provided by the commissioner, plus an additional \$50.00 for each large or small bingo occasion that will be conducted during the 7-day week that is in addition to the number of those occasions calculated under subsection (4).

**432.111b Supplier of equipment, charity game tickets, or numeral game tickets.**

Sec. 11b. (1) Each applicant for a license or renewal of a license to operate as a supplier of equipment, charity game tickets, or numeral game tickets to qualified organizations licensed under this act shall submit a written application to the bureau on a form prescribed by the commissioner.

(2) The applicant shall pay an annual license fee of \$300.00 at the time of the application.

(3) A supplier's license expires at 12 midnight on September 30 of each year.

(4) The commissioner shall require suppliers authorized to sell charity game tickets, numeral game tickets, or both, to post a performance bond of not less than \$50,000.00 and not greater than \$500,000.00.

(5) A supplier shall remit to the bureau an amount equal to the qualified organization's purchase price of the charity game tickets less an amount that shall not be less than the sum of \$.008 for each ticket sold plus 1.0% of the total resale value for all charity game tickets sold.

(6) For each numeral game sold, the supplier shall issue to the licensed organization an invoice listing the manufacturer and serial number of each game.

(7) The fee collected by a supplier from the qualified organization for each game of numeral tickets sold shall be \$5.00 per 1,000 tickets or any portion of 1,000 tickets.

(8) The fees collected by the supplier for each numeral game sold shall be remitted to the bureau by the fifteenth day of the month following the month in which the numeral game is sold. A late fee of 25% of the amount due may be assessed by the commissioner against any supplier who fails to remit the fees by the required filing date.

(9) A supplier shall only display, offer for sale, sell, or otherwise make available to a qualified organization numeral game tickets that have been obtained from a manufacturer.

(10) A person who is directly or indirectly connected to the sale, rental, or distribution of bingo or millionaire party equipment, or the sale of charity game tickets or numeral game tickets, or a person residing in the same household as the supplier shall not be involved directly or indirectly with the rental or leasing of a facility used for an event.

(11) A supplier shall submit to the bureau a report as required by the commissioner regarding the sale or rental of equipment and the sale of charity game tickets and numeral game tickets.

**432.111c License to act as manufacturer.**

Sec. 11c. (1) Each applicant for a license or renewal of a license to act as a manufacturer shall submit to the bureau a written application on a form prescribed by the commissioner.

(2) The annual license fee shall be \$300.00.

(3) The license expires at 12 midnight on June 30 of each year.

(4) Only numeral games and numeral game tickets approved by the commissioner may be distributed to suppliers within this state.

(5) All records supporting the sale of numeral game tickets to suppliers shall be available upon request to an authorized representative of the bureau for inspection or audit and shall be kept by the manufacturer for not less than the calendar year in which the sale is made plus 3 additional years.

(6) Each manufacturer shall submit to the bureau a report as required by the commissioner regarding the sale of numeral tickets to suppliers.

**432.112 Enforcement and administration of act; personnel.**

Sec. 12. The bureau shall enforce and supervise the administration of this act. The commissioner shall employ personnel as necessary to implement this act.

**432.113 Rules.**

Sec. 13. The commissioner shall promulgate rules pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, to implement this act.

**432.114 Record of event; inspection of record; financial statement; inspection of licensed event.**

Sec. 14. (1) Each licensee shall keep a record of each event as required by the commissioner. The record and all financial accounts into which proceeds from events licensed under this act are deposited or transferred shall be open to inspection by a duly authorized representative of the bureau during reasonable business hours.

(2) Each licensee shall file with the commissioner a financial statement signed by the principal officer of the qualified organization of receipts and expenses related to the conduct of each event as may be required by rule promulgated under this act. If the revenue from a bingo game, millionaire party, raffle, numeral game, or charity game is represented to be used or

applied by a licensee for a charitable purpose, the licensee shall file a copy of the financial statement with the attorney general under the supervision of trustees for charitable purposes act, 1961 PA 101, MCL 14.251 to 14.266.

(3) The location at which events licensed under this act are conducted or at which an applicant or licensee intends to conduct an event licensed under this act shall be open to inspection at all times by a duly authorized representative of the bureau or by the state police or a peace officer of a political subdivision of this state.

#### **432.115 Annual report of commissioner.**

Sec. 15. Annually the commissioner shall report to the governor and the legislature about the operation of events licensed under this act within this state, abuses that the bureau may have encountered, and recommendations for changes in this act.

#### **432.116 Denial, suspension, or revocation of license; procedure; subpoenas; fine.**

Sec. 16. (1) The commissioner may deny, suspend, summarily suspend, or revoke any license issued under this act if the licensee or an officer, director, agent, member, or employee of the licensee violates this act or rule promulgated under this act. The commissioner may summarily suspend a license for a period of not more than 60 days pending prosecution, investigation, or public hearing.

(2) A proceeding to suspend or revoke a license shall be considered a contested case and shall be governed by the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(3) Upon petition of the commissioner, the circuit court after a hearing may issue subpoenas to compel the attendance of witnesses and the production of documents, papers, books, records, and other evidence before it in a matter over which it has jurisdiction, control, or supervision. If a person subpoenaed to attend in any such proceeding or hearing fails to obey the command of the subpoena without reasonable cause, or if a person in attendance in any such proceeding or hearing refuses, without lawful cause, to be examined or to answer a legal or pertinent question or to exhibit a book, account, record, or other document when ordered to do so by the court, that person may be punished as a contempt of the court.

(4) With approval of the commissioner, a hall licensee, in lieu of a suspension of its license, may elect to pay a fine equal to the amount of rent that would have been paid by the bingo licensees during the period of the suspension. This fine shall be paid to the bureau on or before the date agreed to in the suspension agreement entered into by the bureau and the hall licensee.

#### **432.117 Violations; penalty.**

Sec. 17. A person who wilfully violates this act is guilty of a misdemeanor and shall be fined not more than \$1,000.00 or imprisoned not more than 6 months or both.

#### **432.118 Period of ineligibility after revocation or forfeiture of license.**

Sec. 18. (1) A licensee whose license is revoked in consequence of a violation of this act or a rule promulgated under this act is ineligible to apply for a license for a period of 2 years.

(2) A person convicted of an offense under section 17 or any other gambling offense is ineligible to serve as an officer of a licensee or to participate in conducting bingo, a millionaire party, raffle, numeral game, or charity game for a period of 1 year after the conviction becomes final. If the person is licensed under this act, the person shall forfeit the license and is ineligible to apply for the issuance or reissuance of the license for a period of 1 year after the conviction becomes final.

#### **432.119 Other penalties or disabilities inapplicable; applicability of §§ 169.201 to 169.282.**

Sec. 19. (1) Except as provided in subsection (2), any other law providing a penalty or disability upon a person who conducts or participates in a bingo game, millionaire party, or charity game; who sells or possesses equipment used in conducting bingo or a millionaire party; who permits bingo, a millionaire party, or a charity game to be conducted on his or her premises; or who does other acts in connection with bingo, a millionaire party, or a charity game does not apply to that conduct if done pursuant to this act or rules promulgated under this act.

(2) Subsection (1) does not limit in any way the application of the Michigan campaign finance act, Act No. 388 of the Public Acts of 1976, being sections 169.201 to 169.282 of the Michigan Compiled Laws, including but not limited to section 41 of Act No. 388 of the Public Acts of 1976, being section 169.241 of the Michigan Compiled Laws, to fundraising events conducted by or for the benefit of a committee that has filed or is required to file a statement of organization pursuant to Act No. 388 of the Public Acts of 1976.

#### **432.120 Effective date.**

Sec. 20. This act shall take effect April 1, 1973, for purposes of administration and licensing but bingo shall not be conducted lawfully pursuant to this act until June 30, 1973.